

## **Remuneration Report TIE Kinetix N.V. 2015**

### **Introduction**

The remuneration and the individual contracts of the members of the Board of Management are determined by the Supervisory Board, within the framework of the Remuneration Policy of TIE Kinetix NV (the Remuneration Policy). The Remuneration Policy was adopted by the Annual General Meeting of shareholders on March 27, 2015.

The Remuneration Policy includes all structures and policies related to the remuneration and individual contracts of the members of the Board of Management.

The Remuneration Policy is in line with the Dutch Corporate Governance Code (the Code) and forms the basis for the Remuneration Plan to be determined by the Supervisory Board, prior to each financial year (October 1 - September 30).

This report describes:

- A. The results of the executed Remuneration Plan 2014;
- B. The report of the Remuneration Plan 2015 and
- C. The Remuneration Plan 2016.

### **General Principles**

The Supervisory Board ensures that the Remuneration Policy and the implementation of each Remuneration Plan, are aligned with the company's objectives. Both the Remuneration Policy itself, and the checks and balances applied in its execution, are designed to avoid incidents where members of the Executive Board- and senior executives for whom similar incentive plans apply - act in their own interest, take risks that are not in line with the strategy and risk appetite of TIE Kinetix N.V., or where remuneration levels cannot be justified in any given circumstance.

To ensure that remuneration is linked to performance, a significant proportion of the remuneration package is variable and dependent on the short and long-term performance of the individual Board member. Performance targets must be realistic and sufficiently stretching and - particularly with regard to the variable remuneration components - the Supervisory Board ensures that the relationship between the chosen performance criteria and the strategic objectives applied, as well as the relationship between remuneration and performance, are properly reviewed and accounted for, both ex-ante and ex-post.

In accordance with the requirements of the Code, the Supervisory Board has carried out scenario analyses of the possible financial outcomes of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the remuneration of the members of the Board of Management.

These scenario analyses have been carried out before the targets are set by the Supervisory Board.

The Supervisory Board has adopted a remuneration policy not only for the Executive Board but also for the Board of Management. The Supervisory Board aims to grow to and maintain overall remuneration levels that are in line with the median level of the external market. For benchmarking purposes, a peer group will be defined by the Supervisory Board when appropriate. As soon as this peer group is determined, it will be reviewed on a regular basis to ensure that the companies in the group remain appropriate peers. Occasionally, changes need to be made, particularly if one of the companies in the peer group is taken over.

## A Executed Remuneration Plan in Financial Year 2014

The compensation with respect to financial year 2014 has been determined in accordance with the Remuneration Policy as adopted by the Annual General Meeting of shareholders on March 11, 2009.

The executed remuneration of the Executive Board for the Financial Year 2014 was reported in the Annual Report 2014 (page 109). The Annual Report 2014 was adopted at the Annual General Meeting of shareholders on March 27, 2015.

### Summary execution Remuneration Plan Executive Board 2014

(in K €)	CEO	CFO
Base Management Fee / Salary	€ 216	€ 146
Annual performance based bonus (Short Term Incentive)	€ 25	€ 25
Pension	€ -	€ 29
Other Benefits	-	-
<b>Total</b>	€ 241	€ 200 *
Stock Option Expense	€ 10	€ -

\* Please note Mr. Wolfswinkel was appointed as member of the Executive Board on November 28<sup>th</sup>, 2013. November and his remuneration and expenses are included ad from that date.

### Remuneration Supervisory Board 2014

The remuneration of the members of the Supervisory Board remained unchanged in 2014 and amounts to € 20.000 per annum for the Chairman and € 10.000 per annum for the other members of the Supervisory Board.

## **B Remuneration Plan in Financial Year 2015**

The compensation with respect to financial year 2015 has been determined in accordance with the Remuneration Policy as adopted by the Annual General Meeting of shareholders on March 27, 2015.

The Supervisory Board is of the opinion that the chosen Remuneration Plan 2015 contributes to the achievement of the long-term objectives of the company and its affiliated enterprises. The Remuneration Policy for 2015 is explained and adopted at the Annual General Meeting of shareholders on March 27, 2015 and provides a structure that retains and motivates the current members of the Executive Board by providing a well balanced and incentive-based compensation.

The Short Term Incentive for 2015 as presented at the Annual General Meeting of shareholders on March 27, 2015 consisted of:

- 22,5 % of Base Management Fee / Salary when targeted Personal Targets are met in 2015;
- 7,5 % of Base Management Fee / Salary when targeted EBITA is met in 2015;
- 10 % Base Management Fee / Salary when incremental performance is met in 2015.

The Long Term Incentive for 2015 as presented at the Annual General Meeting of shareholders on March 27, 2015 consisted of:

- 20 % of Base Management Fee / Salary in Shares TIE Kinetix N.V. when targets of Performance Share Plan are met in 2015.

### **Report Remuneration Plan Executive Board 2015**

(in K €)	CEO	CFO
Base Management Fee / Salary	€ 234	€ 175
Annual performance based bonus (Short Term Incentive)	€ 60	€ 50
Pension	€ -	€ 25
Other Benefits	-	-
<b>Total</b>	<b>€ 294</b>	<b>€ 250</b>
Stock Option Expense	€ 13	€ -

## Shares & Options

Per September 30, 2015, the CEO owns in total 30.014 shares in TIE Kinetix N.V.

The CEO has been granted the following Options / Warrants to acquire shares in TIE Kinetix N.V.:

	Issue Date	Options Granted	Warrants Granted	Lapsed	Forfeiture	Outstanding Options	exercise price	Maturity Date
2005 Former Management Board	feb 23, 2005	5.000	-	5.000	-	-	€ 41,00	apr 01, 2015
2007 Management Board	sep 30, 2007	2.182	-	-	1.333	848	€ 26,00	okt 01, 2017
2009 Management Board	mrt 11, 2009	7.500	-	-	-	7.500	€ 10,00	mrt 11, 2019
2010 Management Board	mrt 10, 2010	7.500	-	-	-	7.500	€ 19,10	mrt 10, 2020
2010 Management Board	aug 31, 2010	300	-	-	-	300	€ 10,00	aug 31, 2020
2013 Management Board	mrt 13, 2013	5.000	-	-	-	5.000	€ 10,00	mrt 13, 2023
2013 Warrants	dec 2, 2013	-	11.428	-	-	-	€ 7,00	dec 2, 2023
<b>Total</b>		<b>27.482</b>	<b>11.428</b>	<b>5.000</b>	<b>1.333</b>	<b>21.148</b>		

Per September 30, 2015, the CFO owns no shares in TIE Kinetix N.V. and has not been granted Options or Warrants to acquire shares in TIE Kinetix N.V.

### Early retirement arrangements

The Executive Board has no arrangements for early retirement.

### Remuneration Supervisory Board 2015

The remuneration of the members of the Supervisory Board remained unchanged in 2015 and amounts to € 20.000 per annum for the Chairman and € 10.000 per annum for the other members of the Supervisory Board.

## C Remuneration Plan in Financial Year 2016

The Supervisory Board has updated the Remuneration Policy (version March 2015) with some minor (textual) changes and published the Remuneration Policy (version November 18, 2015) on the Company's website.

The Remuneration Plan 2016 is based upon the most recent Remuneration Policy and will be presented at the Annual General Meeting of shareholders on March 31, 2016. The Remuneration Plan 2016 has been determined by the Supervisory Board.

The Supervisory Board has reviewed the financial consequences of the Remuneration Plan 2016 and is of the opinion that no material financial risks will occur for TIE Kinetix N.V.

The Supervisory Board has set the Personal Targets and Business Targets for the Remuneration Plan 2016 and considers these targets as ambitious but realistic for the Executive Board .

The Supervisory Board considers the Personal Targets and Business Targets sufficient measurable and to be a balanced mix of performance criteria and strategic objectives.

The Supervisory Board has decided that the remuneration 2016 of the Executive Board will consist of:

(in K €)	CEO	CFO
<b>Base Management Fee / Salary</b>	€ 234	€ 200
<b>Annual performance based bonus of 75 % of Base Management Fee / Base Salary maximum.</b> Annual performance based bonus consists of: A Short Term Incentive (50 % total) B Long Term incentive (25 % total)	To be decided by Supervisory Board, based upon evaluation of targets	
A) Short Term Incentive consists of: 10% of Base Personal Targets, determined by the Supervisory Board 30 % of Base EBITDA 10% of Base Incremental performance		
B) Long Term Incentive consist of: 25 % of Base Annual conditional award of performance shares , subject to Long Term Incentive Plan (to be determined by Supervisory Board)		
<b>Pension</b>	€ -	€ 25
<b>Other Benefits</b>	-	-
<b>Total</b>	<b>€ 234 + PM</b>	<b>€ 225 + PM</b>

## Long Term Incentive 2016 - 2019

The long-term incentive plan is subject to the Performance Share Plan to be determined by the Supervisory Board.

Under the Performance Share Plan, shares are conditionally granted to the members of the Board of Management and other Key Employees. Vesting of these shares is conditional on the achievement of performance targets.

Key elements of the Performance Share Plan are:

- Open to the Executive Board, the Management Team and other Key Employees.
- Shares are conditionally granted only, subject to The Performance Share Plan.
- Conditions to be met are based on realized targets tied to TIE Kinetix' Strategy and Innovation.
- Targets are determined by TIE Kinetix Supervisory Board and auditable.
- Vesting period is 1/3 per year for a three years period.
- After vesting a two year lock up period applies.